

## MEMORANDUM

November 15, 2010

**TO:** Board of Mayor and Aldermen

**FROM:** David Parker, City Engineer/CIP Executive  
Eric Stuckey, City Administrator *ES*

**SUBJECT:** Monticello Subdivision Area Sanitary Sewer Improvements  
Ordinance 2010-80

### Purpose

This memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider Ordinance 2010-80; Establishment of the Assessments for the Monticello Subdivision Area Sanitary Sewer Improvements.

### Background

On June 9, 2009, BOMA approved Resolution 2009-14 that authorized the construction of the sanitary sewer improvements in, and to establish a special assessment district for, the Monticello Subdivision Area. On July 28, 2009, BOMA approved the award of the construction contract (COF Contract No 2009-0043) to Scott & Ritter, Inc. in the amount of \$1,322,247.50 for this project. This construction contract award included the asphalt repaving for the subdivision streets at a cost of \$212,500.00. The cost to repaving the subdivision streets damaged during the installation of the sanitary sewer improvements was previously eliminated by BOMA from construction costs to be used for the calculation of the assessments for each property benefitting from the sanitary sewer improvements. The City of Franklin would pay for this paving as a part of its annual resurfacing program.

Resolution 2009-14 was approved with the total costs of the anticipated improvements estimated at \$1,770,000.00. Included in this estimate was the engineering design, easements, construction and bond issuance estimated costs. The total actual cost as approved for payment by the City for engineering (\$143,132.32), easements (\$3,100.00) and construction (\$1,047,011.91) is \$1,193,244.23. With the bond issuance cost at 0.18% (\$2,147.84), the total cost for the Monticello Subdivision Area sanitary sewer improvements is \$1,195,392.07, or \$574,607.93 (32.5%) less than the estimate. There are still some costs that the contractor has claimed that the staff/project manager has denied. The contractor has hinted at possible legal action to obtain additional payment beyond the final contract cost determined by City staff.

During the discussion of this project, some Monticello residents requested a summary of the assessment district project completed within the City of Franklin. Attached is a chart providing a summary of the five sanitary sewer assessment district project completed by the City in the past three years. There has also been extensive work with residents in the Monticello neighborhood to determine if there will be a need to external pumps. To date, Building and Neighborhood Services staff has met with approximately 12 residents considered to be most likely to need the external pumps and has determined that they will not be necessary. Staff continues to be available to look at individual homes to help residents understand what they will need to do to connect to the sanitary sewer system.

## **Options**

Given the open issue with the closeout of the contract, there are two primary options available to the Board:

1. **Proceed with the establishment of the assessments** (Ordinance 2010-80) for each benefitted property based on the project cost (\$1,195,392.07) as approved for payment by staff, accept the sanitary sewer system improvements for use, allow the benefitted property owners of Monticello to connect to the system and the City absorb any additional cost should the contractor be successful in obtaining a favorable outcome in court for the additional disputed costs; or
2. **Delay the establishment of the assessment but provide for residential connection to the sanitary sewer system.** Under this option the City would accept the sanitary sewer system improvements, delay the individual assessments calculation and assignment/establishment of the assessments to the benefitted property owners, and allow the property owners to connect to the system upon signing an agreement to accept the assessments to be established at a later date based on the outcome of the settlement of the disputed costs. Based on the disputed amounts (approximately \$160,000), the final total cost of the sanitary sewer system improvements would still be less than the estimate as established in Resolution 2009-14.

## **Financial Impact**

The only long term financial impact to the City would be the disputed costs should the BOMA choose to approve Ordinance 2010-80 based on Option 1 as stated above and the contractor is able to obtain a favorable settlement for the disputed costs. Otherwise, all costs for the sanitary sewer system improvements in Monticello Subdivision will ultimately be paid back to the City through the assessments.

The BOMA has already agreed to pay for the asphalt repaving cost for the streets in Monticello with a final total cost of \$203,321.28 which is \$9,178.19 less than the contractor's bid and \$246,678.72 less than the original estimated cost for this item.

## **Recommendation**

While both options presented above are viable and allow residents to begin to connect to the sanitary sewer system, staff recommends acceptance of Option 1; approval of Ordinance 2010-80 based on the total cost of the sanitary sewer system improvements being \$1,195,392.07 and the City absorb any additional costs if applicable.

## **ORDINANCE 2010-80**

### **TO BE ENTITLED: "AN ORDINANCE TO ESTABLISH THE SPECIAL ASSESSMENTS FOR THE SANITARY SEWER IMPROVEMENTS IN THE MONTICELLO SUBDIVISION AREA."**

**WHEREAS**, the City of Franklin, by Ordinance 2007-17, has annexed into the City some 73.19 acres Located east of Hillsboro Road (SR 106, US 431) and south of Fieldstone Farms Subdivision, generally known as the Monticello Subdivision; and

**WHEREAS**, pursuant to T.C.A. §§ 7-33-101 to 314, the Board of Mayor and Aldermen of the City has determined that it would be in the best interest of the property owners residing in the annexed area and of the public generally to construct sanitary sewer improvements in the area hereinafter described and to assess a portion of the cost of the said improvements against the properties to be benefited; and

**WHEREAS**, the Board of Mayor and Aldermen of the City of Franklin approved on June 9, 2009, Resolution 2009-14; a Resolution to authorize the establishment of a Special Assessment District for and the construction of sanitary sewer improvements in the Monticello Subdivision Area.

### **NOW THEREFORE:**

### **SECTION I: BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY AS FOLLOWS:**

1. The following sanitary sewer improvements have been constructed and upon final approval of this Ordinance shall be ready for use:

**A public sanitary sewer system for the Monticello Subdivision Area located in public rights-of-way and sanitary sewer easements consisting of gravity sewer lines with all required appurtenances (such as manholes, service connections to each property, etc.) for a fully operational system. Individual service lines within the properties and all costs associated with the conversion from individual septic**

**disposal system to the gravity system through the service lines shall be the responsibility of the individual property owners.**

2. The geographic limits of the properties to be benefited are as follows:

<b>Map-Parcel</b>	<b>STREET ADDRESS</b>	<b>Acres</b>
052J A 00100	221 SPENCER CREEK RD	0.52
052J A 00200	406 REVERE LN	0.61
052J A 00300	404 REVERE LN	1.04
052J A 00400	402 REVERE LN	0.51
052J A 00500	124 POTEAT PL	0.55
052J A 00600	122 POTEAT PL	0.83
052J A 00700	120 POTEAT PL	0.54
052J A 00800	118 POTEAT PL	0.49
052J A 00900	116 POTEAT PL	0.54
052J A 01000	114 POTEAT PL	0.52
052J A 01100	112 POTEAT PL	0.50
052J A 01200	110 POTEAT PL	0.50
052J A 01300	108 POTEAT PL	0.50
052J A 01400	106 POTEAT PL	0.50
052J A 01500	104 POTEAT PL	0.50
052J A 01600	102 POTEAT PL	0.55
052J A 01700	100 POTEAT PL	0.67
052J B 00100	203 JEFFERSON DR	0.67
052J B 00200	105 POTEAT PL	0.60
052J B 00300	107 POTEAT PL	0.56
052J B 00400	109 POTEAT PL	0.55
052J B 00500	111 POTEAT PL	0.55
052J B 00600	113 POTEAT PLACE	0.52
052J B 00700	115 POTEAT PL	0.47
052J B 00800	117 POTEAT PL	0.65
052J B 00900	302 REVERE LN	0.70
052J B 01000	300 REVERE LN	0.52
052J B 01100	206 REVERE LN	0.54
052J B 01200	204 REVERE LN	0.59
052J B 01300	202 REVERE LN	0.61
052J B 01400	200 REVERE LN	0.90
052J B 01500	102 REVERE LN	1.08
052J B 01600	100 REVERE LN	0.62

052J B 01700	201 JEFFERSON DR	0.69
052O A 00100	101 REVERE LN	0.51
052O A 00200	103 REVERE LN	0.49
052O A 00300	124 WILLIAMSBURG PL	0.53
<b>Map-Parcel</b>	<b>STREET ADDRESS</b>	<b>Acres</b>
052O A 00400	122 WILLIAMSBURG PL	0.68
052O A 00500	120 WILLIAMSBURG PL	0.60
052O A 00600	118 WILLIAMSBURG PL	0.55
052O A 00700	116 WILLIAMSBURG PL	0.49
052O A 00800	114 WILLIAMSBURG PL	0.50
052O A 00900	112 WILLIAMSBURG PL	0.50
052O A 01000	110 WILLIAMSBURG PL	0.50
052O A 01100	108 WILLIAMSBURG PL	0.50
052O A 01200	106 WILLIAMSBURG PL	0.50
052O A 01300	104 WILLIAMSBURG PL	0.50
052O A 01400	102 WILLIAMSBURG PL	0.50
052O A 01500	100 WILLIAMSBURG PL	0.95
052O A 01600	103 MONTICELLO RD	0.77
052O A 01700	105 MONTICELLO RD	0.50
052O A 01800	107 JEFFERSON DR	0.50
052O A 01900	109 JEFFERSON DR	0.50
052O A 02000	111 JEFFERSON DR	0.50
052O A 02100	113 JEFFERSON DR	0.50
052O A 02200	115 JEFFERSON DR	0.50
052O A 02300	117 JEFFERSON DR	0.50
052O A 02400	119 JEFFERSON DR	0.50
052O A 02500	121 JEFFERSON DR	0.50
052O A 02600	123 JEFFERSON DR	0.50
052O A 02900	101 MONTICELLO RD	0.62
052O A 03000	199 MONTICELLO RD	0.55
052O A 03100	201 MONTICELLO RD	0.55
052O A 03200	203 MONTICELLO RD	0.55
052O A 03300	205 MONTICELLO RD	0.55
052O A 03400	301 MONTICELLO RD	0.55
052O A 03500	303 MONTICELLO RD	0.56
052O B 00100	125 WILLIAMSBURG PL	1.65
052O B 00400	120 ARLINGTON PL	0.54
052O B 00500	118 ARLINGTON PL	0.55
052O B 00600	116 ARLINGTON PL	0.54
052O B 00700	114 ARLINGTON PL	0.49

052O B 00800	112 ARLINGTON PL	0.49
052O B 00900	110 ARLINGTON PL	0.49
052O B 01000	108 ARLINGTON PL	0.50
052O B 01100	106 ARLINGTON PL	0.50
052O B 01200	104 ARLINGTON PL	0.53
052O B 01300	102 ARLINGTON PL	0.63
<b>Map-Parcel</b>	<b>STREET ADDRESS</b>	<b>Acres</b>
052O B 01400	100 ARLINGTON PL	0.51
052O B 01500	204 MONTICELLO RD	0.50
052O B 01600	101 WILLIAMSBURG PL	0.58
052O B 01700	103 WILLIAMSBURG PL	0.52
052O B 01800	105 WILLIAMSBURG PL	0.52
052O B 01900	107 WILLIAMSBURG PL	0.52
052O B 02000	109 WILLIAMSBURG PL	0.53
052O B 02100	111 WILLIAMSBURG PL	0.52
052O B 02200	113 WILLIAMSBURG PL	0.52
052O B 02300	115 WILLIAMSBURG PLACE	0.53
052O B 02400	117 WILLIAMSBURG PL	0.54
052O B 02500	121 WILLIAMSBURG PL	0.51
052O B 02600	123 WILLIAMSBURG PL	0.59
052O C 00100	101 ARLINGTON PL	0.55
052O C 00200	103 ARLINGTON PL	0.53
052O C 00300	105 ARLINGTON PL	0.47
052O C 00400	107 ARLINGTON PL	0.49
052O C 00500	109 ARLINGTON PL	0.50
052O C 00600	111 ARLINGTON PL	0.50
052O C 00700	113 ARLINGTON PL	0.50
052O C 00800	115 ARLINGTON PL	0.50
052O C 00900	117 ARLINGTON PL	0.50
052O C 01000	119 ARLINGTON PL	0.52
052O C 01100	123 ARLINGTON PL	0.63
052O C 01200	125 ARLINGTON PL	0.52
052O C 01300	303 REVERE LN	0.52
052O C 01400	225 POTEAT PL	0.53
052O C 01500	401 REVERE LN	0.65
052O C 01600	405 REVERE LN	0.69
052O C 01700	233 SPENCER CREEK RD	0.64

Commencing at a point along the west right-of-way line of Spencer Creek Road, which is the northeast corner of parcel 00100, map

052J A, all parcels being referenced to Tennessee State Board of Equalization Maps, as may be revised, which is also the point of beginning.

Thence south 275 feet along the east lines of parcels 00100 and 00200 to the southeast corner of parcel 00200; thence south 105 feet along the east line of parcel 00200, if extended, to the northeast corner of parcel 01600, map 052O C; thence south 260 feet along the east line of parcels 01600 and 01700 to the southeast corner of parcel 01700; thence west 196 feet along the south line of parcel 01700 to the southwest corner of parcel 01700; thence north 123 feet along the west line of parcel 01700 to the southeast corner of parcel 01500; thence southwest 194 feet along the south line of parcel 01500 to the southwest corner of parcel 01500; thence southwest 89 feet along the south line of parcel 01500, if extended, to the southeast corner of parcel 01400; thence southwest 210 feet along the south line of parcel 01400 and 01300 to the northeast corner of parcel 01100; thence south 1369 feet along the east line of parcel 01100, 01000, 00900, 00800, 00700, 00600, 00500, 00400, 00300 and 00200 to the southeast corner of parcel 00200; thence southwest 54 feet along the south line of parcel 00200 to the northeast corner of parcel 00100; thence southeast 184 feet along the east property line of parcel 00100 to the southeast corner of parcel 00100; thence south 70 feet along the east line of parcel 00100, if extended, to the northeast corner of parcel 03500, Map 052O A; thence southeast 195 feet along the east property line of parcel 03500 to the southeast corner of parcel 03500; thence west 915 feet along the south line of parcels 03500, 03400, 03300, 03200, 03100, 03000 and 02900 to the southwest corner of parcel 02900; thence north 190 feet along the west line of parcel 02900 to the northwest corner of parcel 02900; thence north 109 feet along the west line of parcel 02900, if extended, to the southwest corner of parcel 01500; thence northwest 1717 feet along the west line of parcels 01600, 01700, 01800, 01900, 02000, 02100, 02200, 02300, 02400, 02500, 02600 and 00100 to the northwest corner of parcel 00100; thence 105 feet along the west line of parcel 00100, if extended, to the southwest corner of parcel 01600, map 052J B; thence northwest 446 feet along the west property line of parcel 01600, 01700 and 00100 to the northwest corner of parcel 00100; thence northwest 107 feet along the west line of parcel 00100, if extended, to the southwest corner of parcel 01700, map 052J A; thence northwest 245 feet along the west parcel line of parcel 01700 to the northwest corner of parcel 01700; thence east 2107 feet along the north parcel line of parcel 01700, 01600, 01500, 01400, 01300, 01200, 01100, 01000, 00900, 00800, 00700, 00600,

00300 and 00100 to the northeast corner of parcel 00100 which is also the point of beginning and containing 61.73 acres in parceled land.

Pursuant to T.C.A. §7-33-311, the Board may authorize additional properties to be benefitted by the improvements and make equitable provisions so that any later-added properties bear their proportional share of the costs of the improvements.

3. Based upon the Final Quantities and Change Orders for the construction of the sanitary sewer improvements for the Monticello Subdivision Area, David Parker, City Engineer, an engineer licensed by the State of Tennessee, has verified that the project costs for those improvements directly associated with providing a sanitary sewer collection system for the Monticello Subdivision Area is ONE MILLION ONE HUNDRED NINETY-FIVE THOUSAND THREE HUNDRED NINETY-TWO AND SEVEN/100 DOLLARS (\$1,195,392.07). Said sanitary sewer improvements were designed by, and construction supervised by, Smith Seckman Reid, Inc., an engineering firm licensed by the State of Tennessee.

4. It is the intention of the Board that One Hundred (100%) of the verified cost of the improvements shall be assessed against the benefitted properties listed in paragraph 2 and that improvement assessments shall be assessed annually against the benefitted property in the proportion that the assessed value of each lot or parcel bears to the whole assessed value of the benefitted properties, pursuant to T.C.A. §§7-33-310 to 314. The Board hereby pledges the full faith and credit of the city to satisfy any deficiency in collections of assessments for the improvements.

5. The benefitted property owners shall pay off the total assessments authorized herein over a term of twenty (20) years. Improvement assessments shall be made annually by the Board when the levy of municipal property taxes is made and such assessments shall be due at the same time or times as the municipal property taxes are due, and shall be subject to the same penalties and



interest, in the event of nonpayment, as are municipal property taxes. The Board may also permit benefitted property owners to pay in monthly installments. In the event any monthly payment shall be delinquent thirty (30) days after it is due and payable, and the whole balance of the improvement assessment shall then become delinquent and be subject to all penalties and interest as provided in this resolution.

6. The assessment, with penalty and interest, shall constitute a lien against the property, lot, or parcel against which it is assessed, shall attach as of the date the improvement assessment is made, and shall take precedence over all other liens, save those for state, county, and municipal property taxes, and any prior special assessments. Such liens shall otherwise have such priority and shall be enforceable as is provided in T.C.A. §7-33-314.

7. Upon final approval of this Ordinance and the completion and acceptance by the City of the sanitary sewer improvements, each benefitted property shall be notified of sanitary sewer availability by the City and shall be allowed to connect to such facilities, as provided in Section 18-204 (4), or as amended, of the Franklin Municipal Code, and thereafter the benefitted owner shall be billed monthly for sewer services at the City's prevailing Minimum bill. Upon connection to the sanitary sewer system the benefitted owner shall be billed a monthly sewer service charge as are all other customers of the sanitary sewer system of the City. Should the benefitted property not receive service from a public water system, the monthly sewer service charge shall be the City's Minimum Bill. The system development fee (SDF) and effluent disposal fee (EDF) shall be due at the time the connection is made (the Board of Mayor and Aldermen has waived the payment of the City's sewer access fee and the installation charge).

8. A public hearing shall be held on \_\_\_\_\_, 2010 at 7:00 P.M. before the Board of Mayor and Aldermen, at which time the benefitted property owners may appear and be

heard on the issue of whether the nature and scope of the assessments should be altered; and whether the improvements should be financed through the issuance of bonds on the "assessed value basis" as authorized by T.C.A. §§7-33-301 to 314.

9. Following the said public hearing, the Board shall confirm, amended or rescinded this original Ordinance, as its final action pursuant to TCA §7-33-304. Such final action shall be the final determination of all issues presented, unless the owner of any property to be benefited files, within ten (10) days of such final action, a petition for certiorari in the Williamson County Circuit Court, to review such action.

**SECTION II: BE IT FINALLY ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE,** that this Ordinance shall take effect from and after its passage on second reading, the health, safety, and welfare of the citizens requiring it.

**ATTEST:**

**CITY OF FRANKLIN, TENNESSEE:**

By: \_\_\_\_\_  
**ERIC S. STUCKEY**  
City Administrator/Recorder

By: \_\_\_\_\_  
**JOHN SCHROER**  
Mayor

**Approved As To Form By Shauna Billingsley, City Attorney**

PASSED FIRT READING

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PUBLIC HEARING

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PASSED SECOND READING

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DRAFT

# ASSESSMENT DISTRICTS COMPARISON

16-Nov-10

David Parker, City Engineer/CIP Executive

The following is a comparison of the various items (issues) included or excluded in the various resolutions or ordinances creating the assessment districts in the City. These are the terms in the Resolution and/or Ordinance that are City controlled, the remaining terms are dictated by T.C.A. §§ 7-33-101 to 314. (The information presented is the most current available at this time.)

Terms in Resolution	Highgate Subdivision	Hooper Lane	Monticello Subdivision	Country Road	Boyd Mill Avenue
District Approved	Resolution 2008-21	Resolution 2008-29	Resolution 2009-14	Ordinance 2009-70	Ordinance 2009-71
System Type	Low Pressure	Gravity	Gravity	Low Pressure	Low Pressure
Final Construction Cost	\$ 204,587.00	\$ 60,710.00	\$ 1,047,011.91	\$ 66,150.00	\$ 85,800.00
Planning & Engineering Cost	Waived	\$ 15,600.00	\$ 143,132.32	Waived (previously incurred)	Waived (previously incurred)
Rights-of-Way Cost	None	None	\$ 3,100.00	None	None
Paving Cost	Included in Construction Cost	Included in Construction Cost	\$212,500.00 Waived	Included in Construction Cost	Included in Construction Cost
Financing Cost	\$ 368.00	\$ 137.00	\$ 2,147.84	\$ 119.07	\$ 208.69
Total Assessment District Cost	\$ 204,955.00	\$ 76,448.00	\$ 1,195,392.07	\$ 66,269.07	\$ 116,144.89
City Fees Waived	Sewer Access & Installation Charge	None	Sewer Access & Installation Charge	Sewer Access & Installation Charge	Sewer Access & Installation Charge
Property Assessment Approved	Resolution 2009-13	Resolution 2009-24	Ordinance 2010-80	Ordinance 2010-77	Ordinance 2010-76
Pay Back Term	Ten (10) Years	Ten (10) Years	Twenty (20) Years	Twenty (20) Years	Twenty (20) Years
Interest Rate	4.50%	4.50%	4.00%	4.00%	4.00%
Other Pertinent Information					
Total Appraised Value of Properties	\$ 9,271,400.00	\$ 835,000.00	\$ 23,414,400.00	\$ 2,461,600.00	\$ 1,136,350.00
Number of Properties in Assessment District	29	9	108	8	28
Average Per Parcel Appraised Value	\$ 319,703.45	\$ 92,777.78	\$ 216,800.00	\$ 307,700.00	\$ 40,583.93